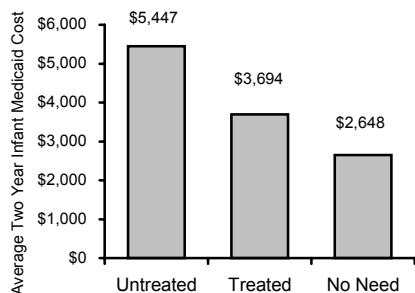


Public Alcohol/Drug Treatment Reduces Future Medical & Psychiatric Costs in Washington State

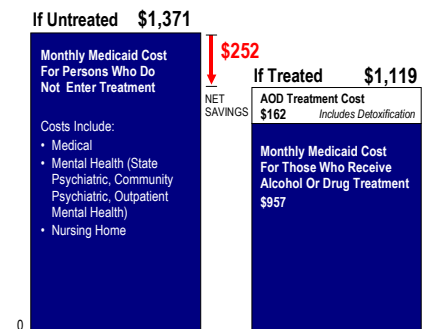
Providing Treatment to Substance Abusing Pregnant Mothers Reduces Health Care Costs of Their Drug Exposed Infants



Providing Treatment to Substance Abusing Pregnant Mothers Reduces Health Care Costs of Their Drug Exposed Infants

- Average Medicaid costs for an infant's medical care during the first two years of life was 1.4 times greater for mothers with untreated substance abuse compared to those who received treatment in the prenatal period (\$5,447 versus \$3,694) and more than twice that for infants of other, non-substance abusing Medicaid women (\$5,447 versus \$2,648).
- The average expenditure for inpatient Neonatal Intensive Care Unit care for infants of substance abusers who received prenatal treatment for substance abuse (\$832) was half that for infants of substance abusers diagnosed prenatally who did not receive treatment prior to delivery (\$1,858) and was only slightly greater than that of infants of other Medicaid women (\$755) (Cawthon & Schrager, 1995).

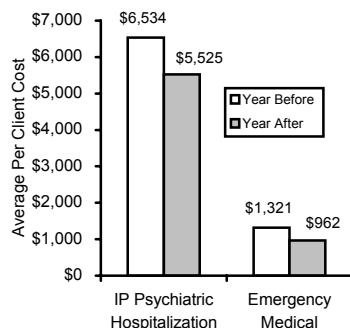
Alcohol/Drug (AOD) Treatment Results in Significant Medicaid Savings



Medicaid Medical, Mental Health, and Nursing Home Costs Were Dramatically Reduced after Addicted SSI Recipients Received Chemical Dependency Treatment

- Untreated chemically dependent Supplemental Security Income (SSI) recipients (n=10,572) had \$414/month higher Medicaid medical, mental health, and nursing home costs than treated (n=10,380) recipients--\$252/month after adjusting for the cost of chemical dependency treatment.
- If an additional 30% of the 10,572 untreated SSI clients in need of alcohol/drug treatment got it, the annual cost savings could amount to roughly \$9.6 million. (Estee & Nordlund, 2003).

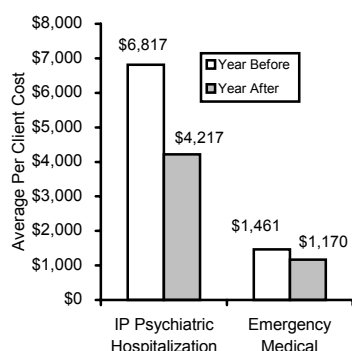
Persons with Co-Occurring Disorders (Chemical Dependency & Mental Health) Had Lower Medical and Psychiatric Costs after Treatment



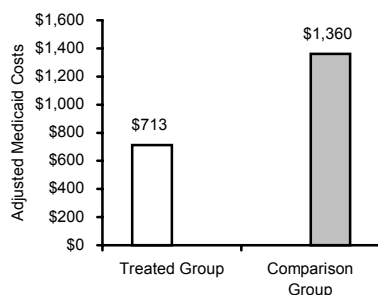
Persons with Co-Occurring Disorders (Chemical Dependency & Mental Health) Had Lower Medical and Psychiatric Costs after Treatment

- In a study of 534 patients discharged from a residential chemical dependency treatment program for persons with co-occurring disorders (chemical dependency and mental health), overall Medicaid-paid medical and psychiatric services decreased by 44%, from almost \$5 million in the year before treatment to \$2.8 million in the year after treatment.
- Individuals who completed treatment were less likely to receive costly, acute care services (Maynard et al, 1999).

Persons Involuntarily Committed to Chemical Dependency Treatment Had Decreased Medical and Psychiatric Costs in Year after Discharge



Significant Cost Savings Are Realized When Addicted Indigent Persons Are Provided Chemical Dependency Treatment



For more information on chemical dependency treatment studies described in this fact sheet, contact:

Research Investigator
Department of Social & Health Services
Division of Alcohol & Substance Abuse
PO Box 45330-5330
Olympia, WA 98504
Phone: (360) 438-8200, or
toll-free at (877) 301-4557

Website: www1.dshs.wa.gov/dasa/

Persons Involuntarily Committed to Chemical Dependency Treatment Had Decreased Medical and Psychiatric Costs in Year after Discharge

- In a study of 735 patients discharged from a residential chemical dependency involuntary commitment program, the cost of their Medicaid-paid medical and psychiatric services decreased from \$3.8 million in the year before admission to \$2.7 million in the year following discharge.
- Average per client psychiatric hospitalization costs went from \$6,817 in the year before treatment to \$4,217 in the year after treatment (Maynard et al, 2000).

Health Care Savings Continued Five Years after Treatment

- Over a 5-year follow-up period, ADATSA¹ clients who received chemical dependency treatment had medical costs that were \$4,540 less than those of the average untreated client.
- Treatment produces the largest savings for those who had Medicaid medical expenses prior to chemical dependency treatment. These clients cost, on average, \$7900 less than a similar group of untreated clients over a five-year follow-up period (Luchansky & Longhi, 1997).

Significant Cost Savings Are Realized When Addicted Indigent Persons Are Provided Chemical Dependency Treatment

- The average ADATSA client who participated in chemical dependency treatment incurred an estimated \$713 in (adjusted) Medicaid costs compared to \$1,360 for the untreated comparison group. Approximately two thirds (\$422 of \$647) of the cost reduction represented a reduction in inpatient hospital costs (Wickizer & Longhi, 1997).

References

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- Estee, S., & Nordlund, D. J. (2003). *Washington State Supplemental Security Income (SSI) Cost Offset Pilot Project. 2002 Progress Report.* Olympia, WA: Research and Data Analysis Division, Department of Social and Health Services.
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- Wickizer, T., & Longhi, D. (1997). *Economic Benefits and Costs Associated with Substance Abuse Treatment Provided to Indigent Clients through the Washington State's Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) Program.* Olympia, WA: Division of Alcohol and Substance Abuse, Department of Social and Health Services

¹ ADATSA is a state funded program that provides a continuum of care to persons who are indigent and deemed unemployable as a result of alcoholism and/or other drug addiction. ADATSA stands for the legislation that funds this program, the Alcoholism and Drug Addiction Treatment and Support Act.